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Held at the Palais des Nations, Geneva,
on Tuesday, 1 July 2003, at 10 a.m.

President: Mr. ROSENTHAL (Guatemala)

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The meeting was called to order at 10.15 a.m.

ADOPTION OF THE AGENDA AND OTHER ORGANIZATIONAL MATTERS (agenda item 1) (continued) (E/2003/88)

Requests from non-governmental organizations to be heard by the Economic and Social Council

The PRESIDENT drew attention to document E/2003/88, which contained requests from non-governmental organizations (NGOs) to be heard by the Council. The Committee on Non-Governmental Organizations had decided to recommend that the organizations listed in the document should be heard under the agenda items indicated. Four NGOs had subsequently been designated to speak at the high-level segment of the Council on behalf of all the organizations listed. He took it that the Council agreed to hear the statements by the NGOs listed in the document.

It was so decided.

PROMOTING AN INTEGRATED APPROACH TO RURAL DEVELOPMENT IN DEVELOPING COUNTRIES FOR POVERTY ERADICATION AND SUSTAINABLE DEVELOPMENT (agenda item 2) (continued) (E/2003/51, E/2003/33 and E/2003/NGO/1)

Mr. DESAI (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General on promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development (E/2003/51), said that there was a widespread perception that the Economic and Social Council rarely considered the issue of rural development, but the topic had, in fact, been amply explored at the World Summit on Sustainable Development in Johannesburg and in a wide range of preparatory activities for the current substantive session of the Council. The various deliberations on rural development, which had been put on a CD-ROM and posted on the Internet, should be seen as a storehouse of ideas for long-term use and a tool for shaping future policy dialogue.

The purpose of the current discussion was to put issues that, in the past, had possibly been overlooked or ignored back on the policy agenda, and to interconnect them in a meaningful and coherent way. The Council provided a valuable discussion forum that brought together all relevant stakeholders and stimulated cross-programme debate and action. In addition, the

Council could make a substantive contribution by fostering a "territorial" rather than a "sectoral" approach to rural development, i.e. by acknowledging that different areas had different requirements and priorities, and that social and economic goals must be combined with tailored natural resource management solutions. It was also important to recognize the extent to which local development initiatives were dependent on the global enabling environment.

Some individual themes that merited special attention in the context of rural development were food security, the importance of non-farming activities, the central role of women in rural life and the problem of ageing or vanishing rural populations. The drift of menfolk to the cities and the decimation of populations by AIDS, particularly in Africa, were two major problems affecting rural areas in the developing world.

Mr. FIGUEROA (Vice-Chairman, Committee for Development Policy (CDP)), introducing the report on the fifth session of CDP (E/2003/33), said that the Committee recognized that the attainment of the Millennium Development Goals (MDGs) would be impossible without a sustained effort to tackle rural poverty, since three quarters of the world's poor lived in rural areas. Among the major causes of stubborn rural poverty were stagnant economic growth; inadequate investment in human capital, agricultural technology and infrastructure; and flawed institutional mechanisms to address the needs of the rural poor. CDP favoured measures to promote rural employment and income generation. The gender dimension should also be given special attention, since women and girls constituted the bulk of the rural population and were therefore the most important contributors to and beneficiaries of rural development efforts.

In many developing countries, improvements in health and education were prerequisites for escaping from rural poverty; disease reduced the capacity for productive work and school dropouts tended to remain poor throughout their lives. For many, the only path out of the poverty trap was migration to urban areas, but unfortunately the cities were unable to provide productive employment for all the migrants. The result was widespread unemployment and underemployment and the growth of slum areas which, in turn, bred discontent and crime.

CDP also noted the impact of rural poverty on environmental degradation. Forests were being depleted in many developing countries to provide fuel, and soil erosion followed forest depletion. Underground and surface-water extraction on the one hand and water contamination, on the other, had increased, thereby reducing agricultural production and aggravating health problems. Poor people lacked the financial and institutional means to manage their natural resources on a sustainable basis.

The priority must be to increase agricultural productivity through a better use of indigenous technologies and the transfer of agricultural technologies, thereby achieving food security and augmenting the incomes of the rural poor. Enhancing non-farm activities such as small-scale industry in rural areas could help to provide work for the landless and additional income for smallholders. The promotion of agro-allied industries was central to increasing rural employment and income, but current rural development policies had been ineffective in generating such enterprises in sub-Saharan Africa, for example. It was vital to do away with the incentives and subsidies that encouraged the location of such activities in urban areas.

The rural poor found it difficult to obtain access to credit. Mainstream financial institutions often found rural areas insufficiently profitable, and their lending rates were often unaffordable to the rural poor. Microfinance, on the other hand, could provide affordable loans and had the potential to stimulate growth in incomes and assets. Exports of many agricultural products were still constrained by distortions in international commodity markets, particularly by the subsidies which the developed countries gave to their farmers, and the inadequacy of rural infrastructures often impeded trouble-free access to markets.

The CDP report listed a set of recommendations for priority attention. The challenge facing Governments and the international community was to take the action required to promote and sustain rural development and poverty reduction.

Mr. BENNOUNA (Observer for Morocco), speaking on behalf of the Group of 77 and China, said that, in view of the fact that most of the world's population lived in the countryside, rural areas loomed large in national economic choices and strategies for social and economic development. To encourage rural development, the Governments of developing countries needed to adopt an integrated approach that involved local authorities, the private

sector, civil society, donors and international organizations. Rural policy should focus on infrastructure, social services, human and natural resources, financial services and environmental protection.

It was commonly agreed that the primary responsibility for development lay with Governments, but development partners and international organizations should complement national efforts within a framework of well-defined strategies. Such strategies should focus on administrative reforms, decentralization of government prerogatives regarding the management of resources and reinforcement of local capacities. They should also include the adoption of innovative agricultural and food policies with a view to increasing productivity, diversifying production and improving the means of subsistence of rural populations. The recognition and reinforcement of the role and status of women in rural areas was another key element in ensuring the success of sustainable rural development. The vast majority of the rural population in most developing countries was poor, and the problems of the rural poor were compounded by inadequate infrastructure, problematic access to social services and health care and, in Africa especially, the AIDS epidemic.

It was a matter of the highest priority to create an international macroeconomic environment that was conducive to rural development and poverty eradication. Such an environment would necessitate the establishment of mechanisms guaranteeing market access for developing country exports and the financing of rural development. It was imperative that the Doha Round trade negotiations should yield a substantial reduction in the tariff and non-tariff barriers that unfairly penalized developing countries and prevented them from diversifying their export base. At the same time, the developed countries should reduce the subsidies that they paid to their farmers and participate in establishing appropriate mechanisms to mitigate the negative impact of fluctuating commodity prices. The decline in the terms of trade for commodities, coupled with the instability and currently low level of commodity prices, was one of the biggest obstacles to rural development and the achievement of the MDGs.

Requisite attention must also be paid to the financing of rural and agricultural development. International organizations, bilateral donors, international financial institutions and the regional development banks should join forces to mobilize resources to that end. It was vital to reverse the decline in official development assistance (ODA) and to increase the

proportion of ODA devoted to agriculture and rural development. In that connection, the countries he represented welcomed the initiative of the Group of Eight (G-8), articulated at the recent Evian summit, for Action Against Famine, Especially in Africa.

Debt problems also imposed a significant burden on developing countries; the whole issue of debt should therefore be addressed with serious political will and determination. Rural development also required coherent policies among international economic cooperation actors at both the governmental and institutional levels, in addition to the creation of an environment conducive to foreign direct investment (FDI) in rural areas and the agricultural sector.

South-South cooperation had the potential to play a helpful role in rural development and poverty eradication. Dynamic and pragmatic cooperation among developing countries, if properly supported by the international community, could contribute positively to capacity-building, the exchange of experience and economic complementarities in the developing countries. The New Partnership for Africa's Development (NEPAD) was one such initiative.

Mr. MINOVES-TRIQUELL (Andorra) said that his country's experience as a member of the Council should encourage other small States to take advantage of the opportunity to stand for election thereto. Membership had allowed his Government to target its development aid more effectively and to display greater solidarity within the United Nations. Andorra also offered an example of one particular form of rural development, having moved away from an economic and social structure based on raising livestock and growing its own food to a mixed economy in which tourism and skiing played a major part. Not every country enjoyed the same geographical advantages as Andorra, of course, but its experience showed how good governance could improve the situation of developing countries. Andorra was thus ready to play its part in helping other countries achieve sustainable development.

It had become clear in recent decades that simply increasing agricultural production would not eliminate hunger or reduce poverty. Peace and security were also fundamental to rural development, food security and sustainable development in general, as shown by the conflict in the Democratic Republic of the Congo, in which more people had died from lack of food than from violence. In that respect, the Security Council and the Economic and Social

Council must learn to work together. He welcomed the outcome of the World Food Summit: Five Years Later, and said that his country would be increasingly active in striving to attain the goals of the Food and Agriculture Organization of the United Nations (FAO), of which it hoped eventually to become a member.

The lack of access to good health care and education in rural areas was an obstacle to development and prevented rural populations from overcoming poverty. More efforts must therefore be made to combat the spread of HIV/AIDS and to improve access to education, particularly for girls.

An attitude of zero tolerance towards the use of child soldiers was also necessary. His Government tended to focus its development aid on children, and was currently participating in school-building programmes in rural areas of Ecuador, as well as in various other programmes around the world.

Lastly, he pointed out the advantages of diversifying the economy in rural areas, as industrial activities and services generally developed more quickly than agricultural production, creating jobs and raising incomes in rural areas. Microcredit programmes, for example, particularly those directed towards women, could play a major role in the development of small enterprises and in the expansion of local economies.

Mr. BACCINI (Italy), speaking on behalf of the European Union, the acceding countries of Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia and the associated countries of Bulgaria, Romania and Turkey, welcomed the recommendations of the Ad Hoc Working Group on the Integrated and Coordinated Implementation of and Follow-up to the Outcomes of the Major United Nations Conferences and Summits in the Economic and Social Fields. The discussion on the promotion of an integrated approach to rural development should pay special attention to the conclusions and recommendations of the World Food Summit: Five Years Later, the International Conference on Financing for Development and the World Summit on Sustainable Development, all of which had been held in 2002. He was confident that cooperation between the Union and the United Nations would contribute to the achievement of the MDGs and other development objectives.

The Union's development policy was based on the principle of sustainable, equitable and participatory human and social development and, as poverty and hunger were predominantly rural problems, rural development and food security were among its top development priorities. Its policy on rural development and the sustainable management of natural resources integrated the multidimensional aspects of development in a coherent framework. At the same time, it recognized that each country had primary responsibility for its own social and economic development and that national policies must be grounded in good governance, respect for human rights and solid democratic institutions.

He agreed with the emphasis in the report of the Secretary-General (E/2003/51) on the need for an integrated approach to the problems common to rural areas in most developing countries, such as low productivity and incomes, poor health and education services, environmental degradation and vulnerability to risk. The problems faced by women deserved special attention in rural poverty-reduction strategies, as women were generally disadvantaged socially and economically and marginalized from decision-making.

Globalization offered both opportunities and challenges, but its benefits had so far been unevenly distributed. The least developed countries, in particular, had seen their comparative advantages eroded by the declining terms of trade for primary goods. The Union therefore supported action to enhance the competitiveness of their rural economies through the development of their rural infrastructure. Efforts to reverse the devastating spread and impact of the HIV/AIDS pandemic needed to be stepped up in order to reduce its social impact and the general economic decline to which it could lead. Governments of developing countries also needed to focus more on rural development, which they had tended to neglect. Inappropriate policies had led to excessive centralization and agrarian policies that reduced access to and investment in land. The reforms needed in the rural sector should be completed and the discredited old policies replaced by new sectoral policies and adequate safety nets.

As far as land reform was concerned, the Union favoured a participatory approach based on a broad social consensus and reforms that improved access to land for the rural poor by regulating the various systems of tenure. With respect to the establishment of an enabling environment for rural development, it believed that national Governments, with the support of

the donor community, should pay special attention to the development of infrastructure in rural areas; the provision of physical infrastructure and social and financial services was a prerequisite for the alleviation of rural poverty and should be a top priority in national development efforts.

Decentralization was an essential step towards ensuring wider ownership of policies and strategies and promoting democratic processes at the stakeholder level. Local authorities were in the best position to address local needs and to prepare local development plans, but unfortunately they were often hampered by a lack of financial autonomy and administrative capacity. Protracted insecurity and armed conflict disrupted rural communities and often resulted in low productivity and food insecurity, while intensive exploitation of ecosystems had damaged the environment. Rural poverty also aggravated environmental degradation when the poor felt they had to choose between satisfying their immediate survival needs and managing renewable resources on a sustainable basis. Often, however, large-scale environmental damage was the result of commercial activities such as illegal logging or poaching of game to supply markets in the cities or in other countries.

In summary, the Union believed that the emphasis in the debate on rural development should be on broad-based rural economic growth, equitable access to production assets, markets and services, human and social development, the sustainable management of natural resources, reduced vulnerability to risk and the establishment of accountable, decentralized institutions. In that context, Poverty Reduction Strategy Papers (PRSPs) and sector-wide approaches should be systematically promoted. PRSPs, in particular, constituted a useful tool for addressing the overall policy framework in a way that strengthened national ownership, promoted stakeholder participation and improved donor coordination. More attention should be paid to rural issues and environmental considerations within the framework of the individual developing country's PRSP. He stressed the importance attached by the Union to the notion of complementarity, which involved joint donor support for national efforts to design and implement a common cooperation framework. Lastly, he wished to recall that development cooperation was only one of many areas of activity that were relevant to poverty reduction and sustainable development in rural areas; others included trade, research and technology and conflict prevention.

Ms. LEHTOMAKI (Finland), having endorsed the statement by the representative of Italy on behalf of the European Union, said that recent United Nations summits and conferences had shown that the international community was not yet on the right track in its approach to integrated rural development. It was necessary to harmonize aid procedures and coordinate measures to tackle the constraints that hampered rural development. All new initiatives in the area of rural development should be taken within the context of poverty reduction strategies and with a view to achieving the MDGs.

National strategies should be aimed at creating an enabling environment for the efficient delivery of policies and should address all forms of rural development while taking into account the views of the rural populations. In that context, she drew attention to her Government's initiative known as the "Helsinki Process", intended to promote more equitable and inclusive global governance and to improve the international regulatory framework, which provided a forum for dialogue between all stakeholders, including some whose voices were not normally heard.

She emphasized the great potential of women for advancing rural development. Their involvement in decision-making processes and land management would have a major impact on sustainable rural development, but their contribution was limited by the devastating effects of the HIV/AIDS pandemic, which often left them facing heavy workloads both in the fields and at home, a situation that was compounded by their weak property rights.

For sustainable development to be achieved in rural areas, special attention must be paid to environmental concerns since, for example, if water resources were not properly managed, agricultural production, the main means of livelihood in many rural areas, was not sustainable. International cooperation was also vital, as it had become clear that the rules of global trade were having a major impact on developing countries' efforts to improve their situation. Increased market access and substantial reductions in trade-distorting practices and export subsidies were essential. The European Community had made proposals for new rules on special and differential treatment for developing countries, which were due to be discussed at the forthcoming ministerial conference of the World Trade Organization (WTO). The proposals

called for the establishment of a special "food security box" to help achieve food security and agricultural diversification and for greater market access for developing countries, particularly the least developed countries.

As agriculture, by its very nature, touched upon many aspects not directly related to trade, she believed that every country had the right to enhance the livelihood of rural populations in order to promote rural development and maintain rural population levels. The challenge was to translate the policy coherence highlighted in the Monterrey Consensus into action. To that end, her Government was preparing a White Paper on development policy that stressed such coherence, as well as the implementation of the MDGs.

Mr. FEDOTOV (Russian Federation) said that the solution of the complex problems related to rural development and poverty eradication would require the combined efforts of international, regional and national organizations, including the United Nations, the Bretton Woods Institutions and the WTO. The Council should help coordinate external assistance and the countries' own efforts, to ensure that resources were properly used and efforts were focused on the priorities defined by each country. External assistance should be designed to help create the macroeconomic conditions conducive to the development of the agricultural sector in developing countries, through inter alia support for commodity production and increased access for developing countries' agricultural exports to the markets of the developed countries.

Developing countries, particularly the least developed countries, should also be provided with assistance to establish an effective market infrastructure for the development of agricultural production and to improve their productivity and managerial capacities. ODA should be concentrated in the areas in which the developing countries had sufficient absorption capacity and which were important to sustainable development, such as access to water and energy, the fight against HIV/AIDS and education at all levels.

The experience of his country in implementing market-oriented reform of the agro-industrial complex could serve as a useful example for others. The first, and vital, step was to attract more private investment to the agricultural sector. New investment in agriculture in the Russian Federation had considerably increased production and profitability. The socio-economic

structure of the Russian agro-industrial complex had come to be characterized by the involvement of financial and non-agricultural corporations in the traditional agricultural sector. In that connection, his Government planned to write off US$ 10 billion in penalties and fines related to the debts of non-profitable agricultural enterprises.

The experience of his country also showed that sustainable rural development could not be achieved without regional development plans and without promoting employment in agriculture and improving the quality of education and agricultural standards.

In conclusion, he supported the recommendations contained in the Secretary-General's report, which he believed would help take international cooperation in the field of rural development to a higher level.

Ms. TSUCHIYA (Japan) said that robust, broad-based and equitable economic growth was needed to fight poverty in the rural areas of developing countries that were home to three quarters of the world's poor people. To achieve growth and rural development, it was necessary to improve agricultural productivity, health and sanitation conditions, the social role of women and levels of education. It was also important to strengthen cooperation among rural communities and create opportunities for local products to gain access to urban markets. In addition to a nation-based approach, therefore, it was essential to adopt an approach based on community empowerment.

Her Government had taken various steps at the grass-roots level to develop rural areas. It had, for example, introduced a comprehensive scheme for the establishment and development of agricultural cooperatives, a scheme that had contributed significantly to the improvement of the rural standard of living.

In an effort to prevent diseases and improve medical standards, public health nurses had been made available in schools and factories throughout the country. As a result, local health and sanitary standards had improved. The expansion of local water supply systems had facilitated access to water and had given rise to the "kitchen revolution", promoting women's access to society.

The people of Japan had long believed in the importance of education. The introduction of compulsory primary education in the latter half of the nineteenth century had contributed greatly to human resources development and constituted the basis of rural development.

Her Government had contributed in various ways to rural development in the developing countries. It had contributed both financial assistance and personnel to the West African Rice Development Association (WARDA), which was conducting research into a drought-resistant rice species. It had recently devoted substantial financial assistance to promote education in low-income countries and had also launched the Basic Education for Growth Initiative. Recognizing the importance of preventing infectious diseases, it intended to contribute significantly to the eradication of polio by 2005. In addition, it was playing an active role in the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Japan had also been conducting various technical cooperation programmes, under which it received trainees from developing countries and sent Japanese experts to organize and manage agricultural cooperatives or train nurses in those countries. It also extended direct technical assistance to people in many rural areas through a system of cooperation volunteers and had promoted projects to promote gender equality in rural areas. It was essential that competent human resources should be retained in rural areas by working to prevent the movement of people to the towns.

International trade played a very important role in rural development. Efforts had been made to improve access to the Japanese market for the least developed countries. Her Government recognized the importance of bringing the Doha Development Agenda to a successful conclusion by settling all the issues relating to developing countries in an appropriate way prior to the deadline, and intended to continue to devote its efforts to the negotiations.

Nation building according to real needs would be possible only when developing countries promoted development by themselves, based on good governance, and when the donor countries, international organizations and NGOs responded to their efforts as partners. Thus, in 2001, the African countries had established NEPAD, a development partnership which was supported by her Government through the process of the Tokyo International Conference on African Development.

Mr. RUÍZ GARCÍA (Observer for Mexico) said that his Government favoured an integrated approach to rural development in developing countries that focused on four key areas: economic development, the development of physical capital, the development of human resources, and the development of social capital. Since his Government had come to power two years previously, it had adopted such an approach and had increased budgetary allocations to rural development by 40 per cent.

He welcomed the fact that attention was being given to providing rural populations with incomes from outside agriculture. Country dwellers who did not own land would not necessarily benefit from agricultural development policies. Only 250,000 of the 5 million rural households in Mexico had the potential to export agricultural produce, whereas 4 million had little hope of earning enough from agriculture to achieve a decent standard of living. Those households required an income from a source other than agriculture and many depended on remittances from a family member living outside the rural community. His Government had succeeded in reducing the cost of transferring the money earned by migrant workers. As a result, approximately 3 million people had risen out of poverty since 2001. Furthermore, the Government was actively supporting the promotion in rural areas of labour-intensive soft industrial activities, such as clothing and footwear manufacture. It recognized the fact that many developed countries subsidized agricultural products in an effort to encourage their rural population to stay put. Nevertheless, there should be some restrictions on subsidies that were granted on basic labour-intensive products also produced by developing countries which, consequently, could not compete on the international markets.

Two other factors mentioned with respect to promoting an integrated approach to rural development were particularly relevant to the case of Mexico. They were, first, the need to encourage the participation of the rural population in the decision-making processes through a process of decentralization; and second, the need to reorganize human settlements in rural areas. In Mexico, there were more than 100,000 communities with less than 100 inhabitants and that made it very difficult for the Government to provide adequate basic services such as water, electricity, education and health. Those factors thus formed part of the Government's rural development strategy.

Mr. KARLSSON (Sweden) said that the majority of poor people lived in rural areas and 75 per cent of the rural poor were women. The face of poverty was, in fact, that of a rural woman. The fight against poverty should thus start with women's rights in rural areas.

The current discussion had three central elements. In the first place, it was clear from many success stories that prosperity and development often resulted from an increase in agricultural productivity and production. Most of the world's poor were dependent on small-scale agriculture and rural development was thus the key to food security, poverty reduction and economic growth. It was necessary to invest in infrastructure, provide access to local, regional and international markets and to make the best use of available water, as water scarcity was a serious obstacle to rural development. New technology and water efficient crops would be required. Health care had also to be improved, especially in connection with the HIV/AIDS pandemic.

The second element was the empowerment of women. Women were farmers and breadwinners, but many of them owned nothing. Providing them with access to land, credit and agricultural services would generate growth and employment. Their role as natural resource managers made it critical to enhance their rights for the purposes of sustainable development. In particular, they were entitled to protect themselves from unwanted pregnancies and to receive adequate health care.

The third element was the need to hold donors accountable. Rich countries should consider their own role and the consequences of their policies. The Millennium Declaration and the commitments made at recent summits were important steps towards better policy coherence and accountability among the rich countries. However, there were still contradictions between competing objectives. For example, there was a contradiction between the right of companies to patents and the human right to good health. With HIV/AIDS spreading out of control, the fact that one half of the world had the medicines while the other half had the patients was a tragic moral issue. Another such contradiction was the commitment to rural development, on the one hand, and the supply of food aid that always risked undermining local production, on the other.

His Government had recently submitted a bill on a new policy for global development, focusing on policy coherence, donor accountability, rural development and women's rights. It would enable Sweden to play an active role in contributing to the achievement of the MDGs, placing particular emphasis on the eighth goal, which referred explicitly to the obligations of the rich countries. The developed countries had, in the past, demanded accountability and transparency from their partners in the developing world. It was high time that the rich countries reviewed their own accountability.

The Government was also increasing its ODA and would take part in the development of an international policy coherence index, which would be a strong tool for pushing policy coherence forward. It was also prepared to take the lead in accelerating the shift towards sustainable patterns of consumption and production. The International Task Force on Global Public Goods that had been presented as an idea by Sweden and France in Monterrey was currently being established and would begin its work in September 2003.

Mr. VON HOEGEN (Guatemala), having endorsed the statement by the representative of Morocco on behalf of the Group of 77 and China, said that Guatemala did not appear on the list of the most heavily indebted poor countries, but its Government had nevertheless adopted a poverty reduction strategy, which would be given effect through citizen participation. It was hoped that the process would be completed in September 2003.

There were two types of measure that would contribute to reducing poverty in Guatemala. At the national level, it was necessary to increase the tax burden in order to finance poverty reduction strategies. Efforts would also be made to promote the redistribution of income and wealth. Programmes would be implemented to support manufacturing activities and services in rural areas, as they produced a higher return than agricultural activities.

At the international level, it was important to provide market access through free trade agreements and to reduce agricultural subsidies so that the developing countries could compete on the world agricultural markets. No import quotas should be applied in the markets of the developed countries.

Mr. RANA (India) said that, since the 1950s, India had been transformed from a predominantly agrarian economy where agriculture had accounted for almost 60 per cent of the gross domestic product (GDP) to a diversified economy where agriculture accounted for only 26 per cent of GDP. The country had been self-sufficient in food grain production. With sustained efforts for rural development and poverty alleviation, the percentage of people living below the poverty line had declined significantly. Other development indices had also registered impressive growth, which had taken place alongside a sustained sensitivity towards the need to conserve natural resources.

Decentralized local government and development through peoples' institutions in rural areas had been a major policy thrust in the delivery of benefits to the poor. Those local bodies, which represented the world's largest experiment in local democracy, had 3.4 million elected representatives, one third of whom were women.

Funds were devoted to programmes to generate employment and create food security and productive assets for the rural poor. As a result of a programme initiated in 2001 to improve access to roads in rural areas, a substantial road network had been created which had increased economic activity and prosperity. Over the previous five decades, huge investments had been made in the rural drinking water supply sector.

To support efforts at the national level, however, it was imperative to create an international climate conducive to development. It was important, therefore, to take steps to implement the measures agreed at the Monterrey Conference in that regard.

Although the developed countries had committed themselves to making 0.7 per cent of their GNP available as ODA, the current levels were far below that agreed target. It had been estimated that financial resources from the international community amounting to approximately US$ 100 billion per annum would be required to achieve the MDGs. Developed countries were urged to fulfil their commitments in that regard.

International trade played a major role in the promotion of economic development and poverty eradication. At the WTO Ministerial Conference in Doha, it had been agreed that the needs and interests of the developing countries should be put at the heart of the WTO work

programme. Progress on development-related issues, since the Doha Conference, had been disappointing. It was imperative that, at the Cancún Ministerial Conference in September 2003, the concerns of the developing countries should be addressed with regard to market access for products and service sectors of export interest to them, the movement of natural persons, the removal of tariff and non-tariff barriers, implementation issues and the operationalization of the provisions relating to special and differential treatment. Developing countries should not be expected to make commitments that were not commensurate with their level of development.

The international community had reached a point in international development cooperation whereby it would be judged on how much ground it could cover in improving the lives of its peoples and in meeting the MDGs. Without addressing rural poverty, without significant increases in rural incomes and opportunities and without significant improvements in rural health and education, sustainable development would not be possible. Only if the developed countries speedily fulfilled their commitments would sustainable development be achievable.

Ms. BRIZUELA DE ÁVILA (El Salvador) said that rural development was an essential means of empowering large numbers of people in a sector characterized by its economic, social and political vulnerability. That vulnerability to external threats, as well as inadequate access to technology, capital, education, health, employment and housing, were some of the main development challenges for the people of her country.

Her Government was promoting local development policies designed to foster the active participation of citizens and strengthen strategic partnerships, with particular emphasis on poverty reduction. A favourable political climate had created the necessary conditions for macroeconomic stability which, in its turn, had a positive impact on investment, employment and productivity. Effective synergies had been developed between various sectors, and mechanisms established to ensure vertical and horizontal linkages, with a view to cutting costs and enhancing the value added of small farmers.

The success of those efforts was dependent on the support of the international community, particularly by means of market-opening measures and the elimination of agricultural subsidies. In that regard, she welcomed the progress made in negotiations for concluding a free trade agreement between the United States and the countries of Central America.

It was imperative for rural development policies to include a component for the advancement of women. Their contribution to family stability, particularly in rural areas, could hardly be overemphasized. It was also important to bear in mind the positive impact of rural development on related issues, such as environmental protection. In her country, emigration, which had reached unprecedented levels in recent decades owing to the armed conflict, had led to an increase in the amount of funds transferred to rural areas from abroad, thanks to the solidarity shown by emigrants towards the relatives left behind. Her Government had established close links with diaspora communities, particularly in the United States, with a view to making use of their economic cooperation.

While the primary responsibility for addressing development challenges lay with States themselves, developing countries were at the mercy of global economic conditions. The current crisis in coffee and sugar-cane prices had led to a steep rise in unemployment in those sectors. Coupled with the impact of natural disasters, that crisis had left rural communities in her country even more vulnerable than before. She appealed to the developed countries, therefore, not to overlook middle-income countries with fragile democracies when it came to allocating development aid. She also called for a coordinated international approach to achieving the MDGs.

Ms. SIMEÓN NEGRÍN (Cuba), having endorsed the statement made by the delegate of Morocco on behalf of the Group of 77 and China, said that her Government attached great importance to rural development as an integral part of the economic, political and social development processes. An integrated approach was required to ensure that various needs were reconciled, with regard to food production, the protection of biodiversity, care for the regenerative capacities of the soil, the appropriate use of water resources, and sustainable forestry. Efforts should focus on poverty reduction and, to that end, ODA must be increased.

Whereas, prior to 1959, approximately 10 per cent of landowners had owned over 70 per cent of Cuban land, more than 100,000 agricultural labourers had since the revolution been granted property rights to the land they cultivated. That guarantee of stability, as well as improved access to loans and markets, agricultural insurance, free education and health care, and comprehensive social welfare, had helped to lay the foundations for sustainable farming. Illiteracy and extreme poverty had thus been eradicated from rural areas. Recent steps had also been taken to include urban areas in agricultural production, through the conversion of vacant land into city farms.

Agenda 21, the Rio Declaration on Environment and Development, and the Johannesburg Declaration on Sustainable Development were the pillars of the international framework for sustainable development. In particular, their emphasis on collective responsibility should continue to guide future discussions. More attention should be paid in the future to the indiscriminate use of forestry resources, which accelerated the processes of deforestation, desertification and soil degradation.

Mr. MOOSA (South Africa), having endorsed the statement made by the observer for Morocco on behalf of the Group of 77 and China, said that rural areas were often under-served in terms of development, services and infrastructure, and had been given special priority in NEPAD. African Governments had committed themselves to a concerted improvement in governance policies and structures, designed to bring basic infrastructure, health, education and water to the whole of their populations. NEPAD recognized that diversification and value-adding were key concepts in promoting growth in the agricultural sector, but greater market access was equally a prerequisite for future growth.

The World Summit on Sustainable Development had been a momentous event for the global multilateral system and its outcome was distinctly action-oriented. The eleventh session of the United Nations Commission on Sustainable Development had fulfilled its mandate by establishing a detailed work programme corresponding to the objectives set at the Summit. Its success owed much to the meaningful participation of the whole range of stakeholders. However, not all major stakeholder groups were adequately represented, and more care should be taken with the proper accreditation of stakeholders.

The single biggest obstacle to rural development in Africa and other developing areas was the trade-distorting agricultural support provided by the Governments of the rich countries. The recent reforms announced by the European Union were merely cosmetic. As long as cows in Europe earned a higher income than human beings in Africa, talk on the part of rich countries about rural development would remain meaningless.

Mr. IONESCU (Romania) said that the promotion of agriculture was a key part of the national strategy for economic development in his country, within the broader framework of its transition to a market economy and preparations for accession to the European Union. It placed great emphasis on the multifunctional role of agriculture and forestry, which had a key role to play in laying the foundations for sustainable rural development. His Government promoted wide-ranging development programmes in rural areas, tried to create favourable conditions for foreign investment, and helped to establish competitive structures to replace the role previously played by the State as an economic agent.

Romania was adopting the necessary measures to facilitate its integration into the European Common Agricultural Policy (CAP), which included: setting up optimal agricultural units; implementing structural reforms with a view to strengthening private agricultural units; improving the legal and institutional framework; enhancing the chain of production to ensure food security; diversifying the rural economy, and supporting vocational training programmes for farmers.

The national strategy was designed to make the agricultural sector more competitive, to ensure compatibility with environmental protection, to take local traditions fully into account, and to recognize the significant overall contribution that farmers made to society. A national plan for agriculture and rural development had been adopted to achieve those aims. It also contained a component for raising living standards in rural areas, through the improvement of infrastructure, and the establishment of good farming practices.

Mr. ŠIMONOVIĆ (Observer for Croatia) said that the production of high-quality and healthy foods was one of the priorities of his Government in its efforts to achieve sustainable development. He welcomed the technical support given by FAO for the production and certification of organic foods.

Despite the potential of globalization to eradicate hunger and poverty, it also threatened to deepen the divide between rich and poor. Its long-term impact was dependent on the development of adequate national and global institutions to ensure a more equal distribution of its benefits. Eradicating rural poverty would require not only a more sustainable use of resources, but also improved access to agricultural markets. Rural communities, and especially the women, needed to be empowered and included in the overall process. Integrated policies should be designed to meet the specific conditions and requirements of each country. The United Nations, and especially the Council, had important roles in the promotion of policy coherence at the international level.

The painful transition to a market economy in his country was still in progress. Croatia's integration into world markets, which began with its membership of the WTO in 2001, had gathered momentum with the signing of 32 free-trade agreements. Its agricultural sector was thus being forced to adapt to a more competitive environment. His Government was encouraging improvements in quality as a means of achieving greater competitiveness, as well as ensuring that farmers respected the relevant international standards.

Numerous institutions were involved in rural development at the national level, but there was insufficient coordination between them. A new strategy was being drafted, to define the roles and responsibilities of the various actors more clearly. At the same time, local communities were being encouraged to become actively engaged in the decision-making processes.

Mr. KITT (Ireland) said that his delegation fully supported the statement made by the representative of Italy on behalf of the European Union. Rural development was a crucial factor in achieving the MDGs, given that over 75 per cent of the world's absolute poor lived in rural areas. The importance of peace and security to improving the lives of the rural poor could not be overemphasized. The current strife in the Democratic Republic of the Congo was a stark reminder of the impact of conflicts on the lives of innocent communities, and any rural development under such circumstances was impossible. The Economic and Social Council, in conjunction with the Security Council, should make renewed efforts to support a more coherent approach to conflict prevention.

HIV/AIDS was another major factor restricting development, particularly in sub-Saharan Africa. The Report of the Secretary-General pointed out that AIDS had killed more than 7 million agricultural workers in 25 countries in Africa, and would claim another 16 million victims by 2020. The epidemic had already exacerbated the current crisis in food security but, in the long term, its impact could be even worse, given the huge decline in the productive workforce. Measures to combat HIV/AIDS should be mainstreamed into rural development policies, and additional funds should be released to enhance medical treatment. In that regard, he welcomed the recent commitment by the United States Government to spend US$ 15 billion over the next five years to fight the epidemic.

The construction of a fair international trade order was another key element in efforts to promote integrated rural development. The debate concerning the marginalization of poor developing countries needed to go beyond the ritual denunciation of subsidies. Agricultural trade liberalization should not be regarded as a panacea for more deep-rooted development problems. His Government was committed to negotiating reductions, with a view to phasing out trade-distorting subsidies, but such measures must be backed up by strong investment in capacity-building to ensure that the poor people actually benefited.

Support for agricultural research should be stepped up so that technologies and inputs could be better adapted to specific environments. Programmes should give farmers the resources to purchase the advice and research they themselves identified as priorities. His delegation had supported the International Assessment of Agricultural Science and Technology, coordinated by the World Bank, which could become a valuable tool in promoting an international consensus on the use of technologies in agricultural development.

His Government was committed to effective partnership with the developing countries on the issue of rural development. Support mechanisms had been fully integrated into local government systems. Local communities were best suited to managing their own natural resource base. For instance, in Ethiopia, his Government had supported an effective community management programme based on the transformation of watersheds.

The meeting rose at 1.15 p.m.